

### Old Age, Disability, Death

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First law: 1961.

Current law: 1993 (implemented July 1994).

Type of program: Social insurance system.

**Exchange rate:** U.S.\$1.00 equals 107.75 naira.

#### Coverage

Employees of firms with 5 or more workers.

Exclusions: Public servants, diplomats, aliens covered under equivalent foreign programs, self-employed, and clergy.

Special system for pensionable public employees.

Voluntary coverage for some excluded categories under specified conditions.

#### Source of Funds

**Insured person:** 2.5% of basic salary.

**Employer:** 5% of basic salary.

**Government:** None.

Maximum earnings for contribution and benefit purposes: 48,000 naira per year.

#### Qualifying Conditions

**Old-age pension:** Age 60, and 120 months of contributions; retirement from regular employment.

Retirement grant: Age 60 and more than 12 months but not less than 120 months of contributions; retirement from regular employment.

**Disability pension:** Loss of all working capacity and 36 months including 12 months within the preceding 36 months.

Disability grant: Disabled. 12 months of contributions.

**Survivor pension:** Deceased was receiving disability or retirement benefits at time of death.

Survivors grant: At the time of death the deceased was eligible for the disability grant.

Funeral grant: Deceased was receiving disability or retirement pension or had 60 months of contributions.

#### Old-Age Benefits

**Old-age pension:** 60 months of contributions, 30% of final average monthly insurable earnings plus 1.5% of those earnings for each 12 months of contributions paid or credited over first 120 months.

Minimum pension: 80% of national minimum wage; maximum pension, 65% of final average monthly contributions.

Retirement grant: Final monthly total contributions at retirement age, multiplied by number of months of paid contributions.

#### Permanent Disability Benefits

**Disability pension:** 30% of final average contributions as determined for retirement pension. For every 12 months of contributions paid in excess of qualifying period for retirement pension up to date of disability, pension increased by 1.5%; for every 12 months between date of disability or period of retirement pension and date retirement age attained, increased by 1%.

Minimum pension: 40% of final average contributions or 80% of national minimum wage.

Disability grant: Amount equal to final monthly contributions immediately prior to disability, multiplied by number of months of contributions.

#### Survivor Benefits

**Survivor pension:** 100% of deceased pension.

Payable to surviving spouse or other dependent relatives.

Survivors grant: Same as retirement grant.

Funeral grant: Lump sum of 2,000 naira.

#### Administrative Organization

Federal Ministry of Labor and Productivity, general supervision.

Nigeria Social Insurance Trust Fund (NSITF), administration of program through Board of Directors and Management Committee.

### Sickness and Maternity

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First and current law: 1961.

Type of program: Provident fund system (cash sickness benefits only) not yet in effect.

#### Coverage

Employees of firms with 5 or more workers. Exclusions: Casual workers, aliens covered under equivalent foreign programs, self-employed, and public employees covered by special system.

#### Source of Funds

**Insured person:** See Old Age, Disability, Death, above.

**Employer:** Same.

**Government:** None.

#### Qualifying Conditions

**Cash sickness benefits:** 1 year of contribution to provident fund (benefits not payable if employer pays sick leave at least equal to benefit). For paid maternity leave, 6 months of service with same employer.

#### Sickness and Maternity Benefits

**Sickness benefit:** Up to 0.34 naira a day.

Payable for up to 1 month or until exhaustion of balance in account; amount paid is deducted from worker's account in provident fund. (Labor code require employers to provide 12 days paid sick leave per year; employer also pays 50% of wages during maternity leave of 6 weeks before and 6 weeks after confinement.)

#### Workers' Medical Benefits

**Medical benefits:** None provided under insurance. (Free medical care available to population in public dispensaries and hospitals, within limits of facilities available.)

#### Dependents' Medical Benefits

**Medical benefits for dependents:** None, except care in public dispensaries and hospitals.

#### Administrative Organization

Federal Ministry of Labor and Productivity, general supervision.

Nigeria Social Insurance Trust Fund (NSITF), administration of program through Board of Directors and Management Committee.

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## Work Injury

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First and current law: 1942, as amended in 1957 and 1987.

Type of program: Employer liability/compulsory insurance with private carrier.

### Coverage

Manual workers, and nonmanual employees (including Federal and State public employees) earning 1,600 naira a year or less.

Exclusions: Agricultural or handicraft employees of undertakings normally employing less than 10 workers, casual employees and family labor.

### Source of Funds

**Insured person:** None.

**Employer:** Whole cost, through direct provision of benefits or insurance premiums.

**Government:** None.

### Qualifying Conditions

**Work-injury benefits:** No minimum qualifying period.

### Temporary Disability Benefits

**Temporary disability benefit :** Full salary for 6 months, 50% for next 3 months, 25% for following 15 months.

### Permanent Disability Benefits

**Permanent disability benefit:** Lump sum of 54 months' earnings, if totally disabled.

Constant-attendance supplement: 25% of permanent disability benefit.

Partial disability: Lump sum proportionate to degree of incapacity, according to schedule in law.

### Workers' Medical Benefits

**Medical benefits:** Medical care, hospitalization, medicines, appliances, and transportation.

### Survivor Benefits

**Survivor benefit :** Lump sum of 42 months' earnings, less any temporary disability benefits paid to deceased.

Apportionment among survivors determined by courts.

### Administrative Organization

Federal Ministry of Labor and Productivity, enforcement of law.

Courts usually participate in adjudication of claims and decide disputed questions. Employers may insure liability with commercial insurance companies.

## Unemployment

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(*Withdrawal grant* under provident fund.)